करीब राष्ट्रीय सहमति है। हम लोगोंने कहा है। लेकिन---मंत्री महोदय जरा हमारी बात पर ध्यान दें---यह भी सही है कि चाइल्ड लेबर होता है और होता ऐसे है कि लोग फैक्ट्री से सामान ले लेते है और घर में बच्चों से काम करवा लेते हैं। फैक्ट्री एक्ट का उल्लंघन होता है। माननीय सदस्य ने कहा है कि फैक्ट्री एक्ट लागू नहीं होना चाहिए। तो कौन कानून लागू होगा कि बच्चों को खाना मिलेगा, बच्चा पढने के लिए जाएगा या रोक कैसे लगायी जाएगी ? इसका अभी तक आपके पास कोई प्रोग्राम तैयार नहीं है। क्योंकि दिक्कत यह हो रही है कि बच्चों को कोई आल्टरनेटिव, लाइवलीहुड का सोर्स नहीं है जिसके चलते लोग मजबूर होकर घरों में काम करते है और इनको छिपाते है। क्या फायदा कि आप इसको छिपाना चाहते हैं। हम लोगों को स्वीकार करना चाहिए कि ऐसा जघन्य अपराध हमारे देश में हो रहा है। जहां आप कारपेट भेजते है, हमारी सूचना के मुताबिक उन देशों में से जर्मनी ने कुछ पैसा आफर किया है कि इन बच्चों को रिहैबिलीटेट करने के लिए। यह सच है या नहीं ? दूसरा, जो लोग काम लेते हैं क्या उन पर कोई ऐसा सेस नहीं बैठा सकते हैं कि इन बच्चों के रिहैबिलीटेशन का या अन्य इंतजाम किया जा सके और ये काम न करें तथा पढ़ने या अन्य जो मानवोचित कर्तव्य है उनमें लग सकें। क्या सरकार ऐसे किसी सेस का प्रावधान करेगी---उन लोगों से बात करके---कि ऐसा वे लोग स्वीकार करें ताकि हमारे देश के बच्चों को कोई सुविधा दी जा सकें ?

श्री जी० वेंकटस्वामी : सभापति जी, आनरेबुल मेम्बर का सवाल सही है। जर्मनी के एक वालंटरी आर्गेनाइजेशन ने आफर किया था। मगर साथ ही साथ यह कंडीशन भी लगाई कि आप यह मुद्रा डालकर भेजिए कि हम बहुत चाइल्ड लेबर से काम नहीं ले रहे हैं। यह मुद्रा डालें। अगर इसको मान लिया जाए तो इसका मतलब यह है कि सारी कंट्रीज बहुत अच्छी है, हम बहुत बुरे हैं। इसलिए हम मुद्रा डालकर भेजें। इसलिए हमने इसको माना नहीं। मैंने बताया कि परसेंटेज आफ चाइल्ड लेबर में कमी हुई है। मैं आनरेबुल मेम्बर को विस्वास दिलाता हूं कि सारी की सारी गवर्नमेंट आफ इंडिया---मिनिस्ट्री आफ लेबर, मिनिस्ट्री आफ टेक्साटाइल और स्टेट गवर्नमेंट्स, सब मिलकर उनके वेल्फेयर को उनकी पढ़ाई को तरजीह दे रहे हैं।

श्री चतुरानन मिश्र : हमने तो सेस के लिए कहा है स्पेशल सेस फार दिस परपज, वाय आर यू नाट इंपोजिंग इट ? हम तो यह कह रहे हैं कि एक ऐसा सैस आप इंपोज कीजिए ताकि हम अपने बच्चों को रीहैबिलिटेट कर सकें और असली दिक्कत तो यह है कि आपका जो कच्चा माल जाता है उसका प्राइस बहुत बढ़ रहा है, इसलिए इन दो बिंदुओं पर तो कहिए कि आप सैस लगाने जा रहे है या नहीं, जिससे बच्चों को री-हैबिलिटेट कर सकें ?

श्री जी० वेंकटस्वामी : सभापति जी, आनरेबल मेम्बर जो सैस के बारे में कह रहे हैं उसका तय पाया है अब अमल शुरू होगा।

श्री इकबाल सिंह : आदरणीय सभापति जी, मैं माननीय मंत्री जी से यह जानना चाहता हूं कि जब से काश्मीर में टेररिज्म आया है और वहां का प्रमुख काम कालीन बनाने का है, वहां के लोग बहुत अच्छा कालीन बनाते हैं और बहार के देशों में उस कालीन की बहुत डिमांड है, लेकिन टेररिज्म की वजह से वहां से कालीन तयार होकर नहीं जा रहे हैं। क्या मंत्री जी कुछ ऐसे उपाय कर रहे हैं कि एक तो वहां के वर्कर्स को काम मिल जाए और दूसरा वह बिजनेस कायम रहे और फॉरेन डिमांड को पूरा किया जा सके ? अब जैसे कि पंजाब में अमृतसर डिस्ट्रिक्ट में वूलन कालीन बहुत पापुलर है जो कि वहां पर बनता है, लेकिन टेररिज्म की वजह से काफी साल वहां भी यह कालीन तयार नहीं हुए और फॉरेन कंट्री में इसकी डिमांड बहुत है। क्या मंत्री जी ने इसका कोई उपाय किया है कि पंजाब से या काश्मीर से जो कालीन तैयार होते हैं, उनको कैसे वहां से तैयार करके बाहर भेजा जाए ?

श्री जी० वेंकटस्वामी : सभापति जी, यह सही है कि काश्मीर में कारपेट्स प्रोडक्शन थोड़ा कम हुआ है, मगर रुका नहीं है। अभी भी चालू है और वहां का कारपेट एक्सपोर्ट हो रहा है। अब आनरेबल मैंबर ने जो पंजाब के बारे में सवाल किया है. उस मामले में मैं समझता हूं कि अगर वह सेपरेट क्वेश्चन दें तो मैं विस्तृत रिपोर्ट आनरेबल मेम्बर को दे सकता हूं।

*183. The Questioner [**(Shri Govindrao Adik)** was absent for answer vide Col..... infra].

Public Issues by Public Sector Banks

184. SHRI V. GOPALSAMY : Will the Minister of FINANCE be pleased to state :

(a) how many public sector banks have, in the past, gone for public issues together with details of each issue;

(b) how many more banks have approached the Government/RBI to go for public issue;

(c) the details thereof bank-wise;

(d) whether it is a fact that some of these banks are planning to charge exorbitant premium on their shares to

the amount lost otherwise in dubious deals in the past; and

(e) what steps Government have taken so that these banks charge only reasonable premium on their public issues?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) to (e) A statement is laid on the Table of the House.

Statement

(a) Reserve Bank of India (RBI) have intimated that State Bank of India and Oriental Bank of Commerce have gone to the capital market to raise capital funds in the form of equity through public issues to the extent of Rs. 1240 crores and Rs. 360 crores respectively, the details of which are given below:—

Name of Bank	Size of public Issue (No. of shares)	Face Value (per share)	Premium (per share
		Rs.	Rs.
1. State Bank of India	12.4 crores	10.00	90.00
2. Oriental Bank of Commerce . . .	6.0 crores	10.00	50.00

(b) and (c) The following banks have approached RBI for permission/approval to raise capital of their banks by public issue of shares :—

Name of the Bank	Size of public issue (No. of shares)
I. Nationalised Banks	
1. Canara Bank	8.625 crores
2. Bank of Baroda	9.08 crores
3. Corporation Bank	3.6 crores
II. Associate Banks of State Bank of India	
1. State Bank of Travancore . . .	1.3 crores
2. State Bank of Hyderabad . . .	0.9 crores
3. State Bank of Indore	0.768 crores

The proposals in respect of Canara Bank and Bank of Baroda have since been forwarded by RBI to Government for approval.

(d) No, Sir.

(e) While going in for a public issue, the premium to be fixed has to be realistic based on fundamentals such as track record of the bank, book value of the share, price earning ratio, future projections of business and profitability. The Government do not propose to interfere in this exercise which is expected to be performed professionally by the banks concerned.

The purpose of the premium is to realise a value based on fundamentals and not to recover amounts lost in irregular loans.

SHRI V. GOPALSWAMY: Mr. Chairman, Sir, it seems, the Government is indirectly to recover the scam money lost by the public sector banks through unjustified hike of their share price through high premium. Sir, the State Bank of India, a premier banking institution of the country has charged a premium of Rs. 90 on a share of Rs. 10. The assets of the State Bank of India are Rs. 1,35,558 crores and deposits are Rs. 76,406 crores whereas the assets of the Bank of Baroda are only Rs. 31.676 crores and deposits are only Rs. 23.111 crores. But, Sir, when the State Bank of India goes for a premium of Rs. 90, at the same time, the Bank of Baroda is planning in a big way to enter into the capital market through public issue. Mr. Talwar, the Chairman and Managing Director of the Bank of Baroda has stated that a premium ranging from Rs. 80 to Rs. 90 per share will be charged on the share of a face value of Rs. 10. Sir, I want to know the justification for the Bank of Baroda to carry such a high premium when compared to the State Bank of India. Therefore I would like to know ... *(Interruptions)*...

MR. CHAIRMAN: Please conclude your question.

SHRI V. GOPALASAMY: The Minister has said that this exercise is not done by the Government and they don't interfere in this exercise. May I know from the hon. Finance Minister whether the

Government will see that the premium is reduced to a reasonable level by the Bank of Baroda and other banks?

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): Mr. Chairman, Sir, as of now, as is stated in the answer only the State Bank of India and the Oriental Bank of Commerce have gone to the market and they have been able to offer these shares at a premium. The State Bank of India sold the shares with a face value of Rs. 10 at a premium of Rs. 90. In the case of the Oriental Bank of Commerce, the premium for a share with a face value of Rs. 10 was Rs. 50. Now, as far as the Bank of Baroda is concerned, I think it has still not gone to the market. As and when this matter comes up, we will have a look into it. But I have stated that this is a matter on which it is for the banks to take a decision depending on the advice that they get from the merchant bankers which they appoint. I do not propose that the Government gets into this act of influencing their decision-making process.

SHRI V. GOPALSAMY: Mr. Chairman, Sir, the Minister has stated that the State Bank of India has gone to the capital market to raise capital funds in the form of equity through public issues to the extent of Rs. 1,240 crores. Sir, the State Bank of India has issued shares to all those who applied for fifty shares. Therefore, the shares have gone to many people. But, at the same time, there are reports that economic offenders like Harshad Mehta have set up *benami* purchasers to get public issues Sir. the Minister has stated that he will consider as to when the Bank of Baroda exercises such public issue. Instead of allowing the rich to corner the shares by applying for huge amounts of shares, will the Government take steps to see that the people who apply get more shares, particularly the poor and the middle-class people? Otherwise, his answer is negative. If they do not enter into this exercise, may I know from the Minister whether they have guillotined the pro-poor policies formulated by Pandit Nehru?

SHRI MANMOHAN SINGH: No, Sir. We have not given up any of those policies. A part of the capital which is being offered for subscription is being offered to the employees. Beyond that, there are SEBI regulations and these issues will have to conform to the SEBI regulations.

SHRI S. JAIPAL REDDY: Sir I beg to differ with my colleague, Mr. Gopalsamy. I am of the view that the premium is on the lower side. I am afraid, Mr. Chairman, Sir, the shares of the banks which are being disinvested are being sold at a lower rate than warranted. A similar problem arose when the PSU shares were disinvested earlier. The Minister, of course, in all his non-interfering humility says that the Government will not interfere, in this business. But I would like to know as to what steps the Government is taking to see that the full potential of the value of the shares is realised. And if you left the matter to the banks, I would like to know as to what the criterion that the banks are following is, as to what the mechanism that the banks are following is and also as to what the authorities are that the banks are consulting before fixing the premium.

SHRI MANMOHAN SINGH: Sir, there are several criteria which the banks have to take into account while fixing the prices of shares in consultation with their marchant bankers. They have to look at the earning capacity, their future prosepects and the market conditions. All these matters are gone into by the management of the banks and they have the expert advice. Beyond that, it is not possible for the Government to sit in the judgment on what the banks do.

SHRI S. JAIPAL REDDY: 'Who' in the banks...? The banks in turn are run by somebody. They must have some expert committee. They must have some mechanism. Bank is a metaphysical entity. We would like to know as who in the bank decides upon and fixes the premium. It is fine that the Government dosen't interfere. But, we would like to know as who in the banks decides upon this.

MR. CHAIRMAN: It is a metaphysical question.

SHRI MANMOHAN SINGH: The issue is dealt with by the top management of the bank as well as its Board of Directors. These decisions are taken in accordance with the established procedures. As I have already mentioned, while fixing the premium, the track-record of the corporate body in terms of growth of business and profitability prices to earning ratio, future projections, stock market performance, and present norms as per the guidelines laid down by the Securities and Exchange Board of India are taken into consideration.

SHRI JAGESH DESAI: Sir, I would like to remind the hon. Finance Minister about one aspect. He has given several factors regarding profit, future profit, etc. But, the most important factor is the immovable properties of the banks, if valued now, it would be ten times more than what is shown as assets at the Surajkund AICC resolution. The Congress had come to the conclusion that at the time of disinvestment of the shares the market value of the assets of the banks have to be taken into account.

So, I would like to know whether these factors are taken into account while issu-

ing the new shares as premiums are fixed on the basis of the real value of the assets including the immovable properties. I would also like to know whether the Government has given instructions in this regard. I hope the hon. Minister will enlighten us on these points.

SHRI MANMOHAN SINGH: Mr. Chairman, Sir, I am not an expert in valuation of the shares but I would respectfully submit, as a layman, that if there is property the bank is occupying, there is no chance of that property ever being sold by the bank; whether it influences the decisions with regard to the premium, I really do not know. As of now, the Government does not propose to instruct the banks to do anything specifically in this matter.

MR. CHAIRMAN: Question No. 185, Shri Bapu Kaldate.

Improving the Power Distribution System

*185. DR. BAPL KALDATE :†

SHRIMATI KAMLA SINHA:

Will the Minister of POWER be pleased to state:

(a) whether Government have critically analysed the ills in the present system of power distirbution in urban and rural areas besides shortages and poor quality of supply resulting in regional imbalances in development;

(b) whether Government have also examined the question of decentralisation and privatisation as an alternative way of power distribution to improve the situation; and

(c) if so, what are the details thereof?

THE MINISTER OF POWER (SHRI N.K.P. SALVE): (a) to (c) A statement is laid on the Table of the House.

Statement

(a) Yes, Sir. Overall gap between demand and supply of power, financial constraints in augmenting generation, transmission and distribution capacity, large scale expansion of urban systems and rural electrification with weak and inadequate sub-transmission and distribution system, too many tarnsformation stages, inadequate maintenance, pilferage and theft of energy, and poor financial position of the State Electricity Boards are some of the reasons for the ills of the present power system of the country.

†The question was actually asked on the floor of the House by Dr. Bapu Kaldate.

(b) and (c) In the background of paucity of funds with Central and State Governments/undertakings and acute power shortage, Government decided to permit private sector participation in power sector for bringing in additionality of resources for capacity addition in electricity generation, supply and distribution. The details of incentives/policy guidelines to encourage greater private sector participation is given in the enclosed Statement-I.

Statement-I

IMPROVING THE POWER DISTRIBUTION SYSTEM

Incentives/Policy guidelines to encourage greater private sector participation in the electricity generation and distribution.

- Private Sector can set up thermal projects (coal/gas) and hydel projects and wind/solar energy project of any size.
- Electricity Projects where the total outlay does not exceed Rs. 25 crores need not be submitted to the Central Electricity Authority for concurrence.
- Private Sector companies can set up enterprises to operate either as licensees or as generating companies.
- All private companies entering the Electricity Sector hereafter will be allowed a debt-equity ratio upto 4 : 1.
- Promoter's contribution should be at least 11% of the total outlay.
- To ensure that private entrepreneurs bring in additionality of resources to the sector, not less than 60% of the total outlay for the project must come from sources other than Public Financial Institutions.
- Upto hundred per cent (100%) foreign equity participation can be permitted for projects set up by foreign private investors.
- The condition of dividend balancing by export earnings which is normally being applied to cases of foreign investment upto 51% equity will not be applicable to foreign investments in the power sector.
- The rates for depreciation in respect of assets have been liberalised.
- With the approval of the Government, import of equipment for power projects will also permitted in cases where foreign supplier(s) or agency (ies) extended concessional credit.
- The customs duty for import of power equipment has been reduced to 20% and this rate has also been extended to machinery required for modernisation and renovation of power plants.
- A five year tax holiday has been allowed in respect of profits and